

## 新聞稿 二零零八年業務及業績

二零零九年二月十八日

### 二零零八年財政年度：集團收入淨額：20 億歐元 良好商業表現反映集團狀況穩健

- 收益：較二零零七年下跌 3.1%（不包括非經常性項目的影響<sup>(b)</sup>）
- 成本／收入比率：71.0%
- 集團除稅後股本收益率：6.4%
- 巴塞爾協定 II 一級資本充足比率\*\*：8.8%，包括核心一級資本充足比率 6.7%
- 每股盈利：3.38 歐元（二零零七年為 1.86 歐元）
- 擬派股息：每股 1.2 歐元（二零零七年為每股 0.9 歐元）
  - 提供股票派息選擇

### 二零零八年第四季：集團收入淨額錄得正數

- 收益：較二零零七年第四季下跌 22.4%，不包括非經常性項目的影響<sup>(b)</sup>
- 經營收入：5.43 億歐元
- 集團收入淨額：8,700 萬歐元

(a) 列報的二零零七年歷史季度業績已就未經批准及隱蔽市場活動方面錄得的欺詐運作而予重列

呈列作比較用途的二零零七年三月三十一日、二零零七年六月三十日、二零零七年九月三十日及二零零七年十二月三十一日季度業績，已作出調整，以重列二零零七年及二零零八年錄得而於二零零八年一月揭發的未經授權及隱蔽市場活動欺詐運作所引致的會計後果。有關資料載於附件三。然而，為了提供更多與集團表現相關的資料，本檔的數字與列報的歷史數據相符。有關評述亦以這些列報的數據為依據。

(b)：所有非經常性項目（影響銀行收入淨額、風險成本及來自其他資產的收入淨額）已呈列於附件四

\* 經集團架構變動作出調整及按固定彙率計算

\*\*不包括下限效應（巴塞爾協定 II 與巴塞爾協定 I 的風險加權資產差別最高為 10%）

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於二零零九年二月十七日舉行的會議上，法國興業銀行董事會通過二零零八年的財務報告，其中集團錄得收入淨額 20 億歐元（第四季為 1 億歐元）。

法國興業於二零零八年在法國及國際市場大力拓展零售銀行業務。儘管經濟放緩，但金融服務的商業表現仍然令人滿意。雖然利率下調、市況大幅波動，但私人銀行業務、保管、期貨經紀及網上銀行業務於二零零八年仍然表現良好。年內資產管理業務受到管理資產全面下跌及若干類別資產減值的影響。同時，企業及投資銀行業務的表現（不包括與危機有關的非經常性項目）證明法國興業與客戶維持良好關係，而客戶亦對我們重拾信心。

法國興業亦已開始調整受危機影響業務的營運框架，同時相應展開計畫，將資產管理業務與 **Credit Agricole** 旗下業務合而為一，及將 **SGAM AI** 與 **Lyxor Asset Management** 合併。企業及投資銀行業務的重整計畫預期可進一步擴展客戶主導業務，並提升其效益及風險管理機制。

集團行政總裁 **Frederic Oudea** 就集團的二零零八年業績作出評論：「法國興業的二零零八年業績，反映集團有能力應對嚴峻的金融及經濟危機。集團已採取措施，使旗下業務能適應更趨不明朗的環境。踏入二零零九年，集團的資本狀況穩固，並與去年一樣，積極支援法國境內外的客戶的需要（這由對法國經濟的未償還貸款上升 9.2% 反映出來），同時把握合適的發展機會。」

董事會決定于股東周年大會上，建議就二零零八年財政年度派發每股 1.2 歐元的股息，派息比率為 36%。

## 1. 集團綜合業績

以百萬歐元計算	二零零八年	二零零七年	變動 二零零八年 ／ 二零零七年	二零零八年 第四季	二零零七年 年第四季	變動 第四季／第 四季
銀行收入淨額	21,866	21,923	-0.3%	5,495	3,880	+41.6%
以相同基準計算 <sup>a</sup>			-3.9%			+44.9%
經營開支	(15,528)	(14,305)	+8.5%	(3,969)	(3,416)	+16.2%
以相同基準計算 <sup>a</sup>			+6.2%			+13.3%
經營收入總額	6,338	7,618	-16.8%	1,526	464	x 3.3
以相同基準計算 <sup>a</sup>			-21.9%			x 4.4
撥備分配淨額	(2,655)	(905)	x 2.9	(983)	(301)	x 3.3
不包括虧損淨額的經營收入 (請參看下列)	3,683	6,713	-45.1%	543	163	x 3.3
以相同基準計算 <sup>a</sup>			-47.2%			NM
因未經批准及隱蔽市場活動 引致的虧損淨額	0	(4,911)	NM	0	(4,911)	NM
包括虧損淨額的經營收入 (請參看上列)	3,683	1,802	x 2.0	543	(4,748)	NM
以相同基準計算 <sup>a</sup>			NM			NM
收入淨額	2,010	947	x 2.1	87	(3,351)	NM

	二零零八年	二零零七年	二零零八年 第四季	二零零七年第 四季 <sup>(a)</sup>
集團除稅後股本收益率	6.4%	3.6%	0.4%	NM
核心業務除稅後股本收益率	10.3%	5.8%	4.0%	NM

(a)：列報的數據未就二零零七年錄得的未經授權及隱蔽市場活動的欺詐運作之會計後果予以重列。重列之數據載於附件三。然而，為了提供更多與集團表現相關的資料，數字與列報的歷史數據相符。有關評述亦以這些列報的歷史數據為依據。

鑒於雷曼兄弟倒閉導致金融市場極端緊張，二零零八年第四季的工業活動大減，而二零零九年的前景轉差，政府及中央銀行已制訂多項規模龐大的支援計畫。這些措施旨在：

- 透過急速減息及政府的刺激方案，支持經濟增長；
- 放寬金融機構獲取流動資金的渠道，並降低同業息率；

- 透過多項國家計畫（政府銀行貸款保證計畫、設立法國經濟融資公司等），方便金融機構籌集中期再融資；
- 提高銀行的財政能力及償債率（不同國家採用不同方法進行注資）；

這些重大措施，加上銀行體系較脆弱的國家所採取的其他措施，已開始奏效，使金融業趨於穩定，利率下降。雖然如此，這些措施未能阻止環球經濟於二零零八年第四季步入衰退。儘管經濟活動於二零零九年初繼續收縮，全年的宏觀經濟展望亦被大幅調低，但這些由政府及中央銀行落實的措施應可紓緩這重大金融危機的影響。

在這挑戰重重的環境中，集團業務仍然取得穩健的商業表現。

- **法國國內銀行業務**的商業及財務表現良好。
- 儘管**國際零售銀行業務**應市場現況而調整其發展步伐，但經營業績仍然大幅增長。由於俄羅斯市場活動轉靜，使集團預期此區域會出現的發展出現了滯後現象，法國興業決定在二零零八年賬項中，確認與俄羅斯業務有關的 3 億歐元商譽減值。但此審慎舉動並非出自對俄羅斯銀行業務的負面重估。俄羅斯的銀行業務仍然重要。
- **金融服務**受經濟危機打擊，但二零零八年業績仍然令人滿意。
- **環球投資管理及服務**表現參差。大致上，私人銀行業務、證券服務、經紀及網上存款業務均取得滿意成績，但資產管理業務則繼續受金融危機的重大沖擊。
- **企業及投資銀行業務**反映客戶關係保持穩健，並錄得歷來第二高的收益紀錄。受二零零八年第四季市場動盪的影響，不包括非經常性專案的交易收益大幅減少，但仍然錄得正數。此業務亦於二零零八年內致力減低其風險持倉。

## 銀行收入淨額

集團於二零零八年的銀行收入淨額較二零零七年下跌 3.9%\*（以絕對值計算屬穩定），至約為 219 億歐元。

集團法國境內外零售銀行業務的收益於二零零八年上升（若撇除法國國內銀行網路的 PEL/CEL 撥備，較二零零七年上升 2.7%，而國際零售銀行則較二零零七年上升 21.1%\*）。雖然面對經濟下滑及烏克蘭貨幣虧損的影響，但金融服務卻持續增長，收益上升 7.1%\*。私人銀行業務期內表現穩定（較二零零七年上升 2.0%\*）。證券服務、經紀及網上存款業務卻受股市指數及利率下跌拖累，收益下跌 10.7%\*<sup>1</sup>。企業及投資銀行業務的客戶主導業務，於二零零八年表現理想，收益逾 48 億歐元<sup>(b)</sup>（較二零零七年下跌 8.1%<sup>(b)</sup>）。交易收益（不包括非經常性項目）受第四季極具挑戰性的市道衝擊，但仍於二零零八年維持正數。整體而言，該部門於二零零八年的收益為 40 億歐元，不包括非經常性項目則為 55 億歐元。

二零零八年第四季的銀行收入淨額合共為 55 億歐元，較二零零七年第四季上升 44.9%\*（以絕對值計算上升 41.6%）。

自二零零八年十月一日起，法國興業已採用國際會計準則第 39 號的修訂，並相應將 286 億歐元的合資格資產主要重新分類為貸款及應收賬款類別。若沒有進行重新分類，這批資產的重新估值本會造成 15 億歐元的銀行收入淨額負數。

<sup>1</sup>對證券服務、經紀及網上存款業務業績變動的詮釋，受與合併 Newedge 有關的結構變動所影響。法國興業已自二零零八年第一季起按比例合併 Newedge 的 50% 股權；因此，此實體的規模少於二零零七年底前合併的 Fimat 100% 權益。

## 經營開支

經營開支上升（較二零零七年上升 6.2%\*）反映（i）集團在具潛力的現有業務及地區進行擴展有關的投資專案，及（ii）強化本身的風險監控機制（主要在企業及投資銀行）。

因此，法國興業於二零零八年的成本／收入比率為 71.0%（二零零八年第四季為 72.2%）。

## 經營收入

集團各項業務對集團二零零八年的經營收入總額帶來 67.76 億歐元的貢獻（二零零八年第四季為 18.56 億歐元）。法國興業於二零零八年的經營收入總額達 63.38 億歐元（較二零零七年下跌 21.9%\*），其中 15.26 億歐元來自第四季（較二零零七年增長 4.4 倍\*）。

風險成本上升，反映年內，特別是第四季的經濟氣候轉差。二零零八年全年，按巴塞爾協定 I 風險加權資產計算，風險成本為 66 點子（26.55 億歐元）。第四季的數字為 97 點子（9.83 億歐元）。

- 法國國內銀行網路於二零零八年的風險成本大幅上升（36 點子），第四季的影響更見顯著（56 點子），這主要由於企業客戶的影響所致。
- 國際零售銀行業務於二零零八年的風險成本為 73 點子。由於額外的撥備分配及 Rosbank 按集團的撥備標準作出調整，風險成本於第四季上升。
- 金融服務於二零零八年的風險成本為 123 點子，反映結構性效應以及新興國家未償貸款餘額增加。
- 企業及投資銀行業務於二零零八年的風險成本為 84 點子，原因是違約數目上升，特別是金融機構及建築行業。

集團於二零零八年的經營收入達 36.83 億歐元，較二零零七年下跌 47.2%\*（以絕對值計算下跌 45.1%）。第四季占經營收入總額為 5.43 億歐元。

## 淨收入

作為預防措施，法國興業已決定在二零零八年賬項中確認其俄羅斯業務的 3 億歐元商譽減值。

扣除稅項（集團於二零零八年的實際稅率為 28.6%）及少數股東權益後，集團於二零零八年的收入淨額達 20.1 億歐元（二零零七年為 9.47 億歐元），包括第四季的 8,700 萬歐元。集團於二零零八年的除稅後股本收益率為 6.4%（二零零八年第四季為 0.4%）；如不包括非經常性項目的影響，集團於二零零八年的收入淨額將為 33 億歐元，而股本收益率則約為 10.8%。

二零零八年的每股盈利為 3.38 歐元。

## 2. 集團財務架構

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截至二零零八年十二月三十一日止，集團股東權益達 361 億歐元<sup>1</sup>，每股資產淨值為 52.32 歐元，其中包括 1.9 歐元未變現的資本虧損。

為配合股份回購政策，集團於二零零八年回購 100 萬股股份。截至二零零八年底，集團持有 2,000 萬股庫存股份（相等於股本的 3.44%），當中不包括持有作買賣的股份。法興亦於二零零八年購入 130 萬項認股權，以抵補於二零零七年一月推出的認股權計畫，使法興擁有本身股份的認股權達 720 萬項，以抵補其雇員獲配的認股計畫。特此聲明，於二零零八年九月二十四日經 CECEI (*French Credit Institutions and Investment Firms Committee*) 授權後，法興董事會於二零零八年十一月二日舉行會議，註銷購入價值共達 12.18 億歐元的 1,000 萬股股份（占資本 1.7%）。是項註銷對集團的帳面股權及法定股權均無影響。

巴塞爾協定 II 風險加權資產於二零零八年第四季為 3,455 億歐元，而同年第三季為 3,402 億歐元，一級資本充足率（不包括下限效應）於二零零八年底為 8.8%（包括核心一級資本充足率 6.7%）。因此，踏入二零零九年，集團財政狀況穩健。按照適用於二零零八年的下限水平應用額外資本規定後，一級資本充足比率達 8.4%。該比率的計算，是包括董事會計畫在股東周年大會上提呈每股股息 1.2 歐元（派息比率 36%）。董事會亦建議向股東提供以新發行股票代替股息的選擇。特此聲明，二零零七年每股股息為 0.9 歐元，而二零零六年則為 5.2 歐元<sup>2</sup>。

集團於二零零九年進行了一項壓力測試，旨在展示其充裕的償付能力。以研究法興股票的分析員所估計的最低經營收入總額、風險加權資產增長預測 8%，以及受壓風險成本 130 點子為計算基礎，受壓時的集團收入淨額將約為 6 億歐元。根據這些基準及假設派息比率為 45%，以及提取政府提供的第二筆資本 17 億歐元計算，集團一級資本充足比率於二零零九年底預期為 8.8%，而根據第二筆政府撥款的性質，核心一級資本充足比率介乎 6.4% 及 6.8% 之間。

集團獲穆迪評級為 Aa2，惠譽及標準普爾評級為 AA-。後兩間評級機構於二零零九年一月亦再確認它們的評級。

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<sup>1</sup> 數字包括 (i) 60 億歐元的極後償票據，8 億歐元的未定期後償票據及 (ii) 1 億歐元的未變現資本虧損。

<sup>2</sup> 按國際會計準則第 33 號，期內於二零零六年第四季及二零零八年第一季資本增加前的每股資料，需為 Euronext 出版的係數作出調整。二零零七年及二零零六年每股股息分別為 0.84 歐元及 4.87 歐元。

### 3. FRENCH NETWORKS

<i>In EUR m</i>	2008	2007	Change 08/07	Q4 08	Q4 07	Change Q4/Q4
<b>Net banking income</b>	<b>7,191</b>	<b>7,058</b>	<b>+1.9%</b>	<b>1,917</b>	<b>1,787</b>	<b>+7.3%</b>
<i>NBI excl. PEL/CEL, Euronext, Visa</i>			<b>+2.2%</b>			<b>+3.6%</b>
<b>Operating expenses</b>	<b>(4,678)</b>	<b>(4,566)</b>	<b>+2.5%</b>	<b>(1,243)</b>	<b>(1,187)</b>	<b>+4.7%</b>
<b>Gross operating income</b>	<b>2,513</b>	<b>2,492</b>	<b>+0.8%</b>	<b>674</b>	<b>600</b>	<b>+12.3%</b>
<i>GOI excl. PEL/CEL, Euronext, Visa</i>			<b>+1.8%</b>			<b>+1.3%</b>
<b>Net allocation to provisions</b>	<b>(480)</b>	<b>(329)</b>	<b>+45.9%</b>	<b>(184)</b>	<b>(105)</b>	<b>+75.2%</b>
<b>Operating income</b>	<b>2,033</b>	<b>2,163</b>	<b>-6.0%</b>	<b>490</b>	<b>495</b>	<b>-1.0%</b>
<b>Net income</b>	<b>1,296</b>	<b>1,375</b>	<b>-5.7%</b>	<b>311</b>	<b>315</b>	<b>-1.3%</b>
<i>Net income excl. PEL/CEL, Euronext, Visa</i>			<b>-5.1%</b>			<b>-14.5%</b>

	2008	2007
<b>ROE after tax</b>	<b>18.3%</b>	<b>22.1%</b>

	Q4 08	Q4 07
<b>ROE after tax</b>	<b>16.9%</b>	<b>19.5%</b>

In 2008, the **French Networks** were confronted with both the repercussions on its reputation of an exceptional fraud uncovered at the beginning of the year and a particularly poor environment. Although the negative image effect caused by the fraud was rapidly offset by the commercial dynamism of Societe Generale's sales teams, the crisis, which initially affected the entire financial sector, gradually spread to the real economy, causing general concern among the French public. The result was both a "flight to quality" in terms of savings, and a "wait-and-see" attitude in terms of investments and consumption.

In this turmoil, the French Networks turned in solid commercial and financial performances, providing further evidence of their ability to bounce back and the strength of their customer franchises.

The number of personal current accounts for **individual customers** rose by +88,700 units year-on-year, taking the total to more than 6.3 million at end-December 2008.

On the savings front, passbook accounts - especially Sustainable Development Passbook Accounts (*Livrets de Développement Durable*) - and term deposit accounts were helped by customers' preference for risk-free liquid investments and the high short-term interest rates. These accounts grew by respectively +4.3% and +64.7% vs. 2007. The "Livret A" launch campaign unveiled in Q4 was also a real commercial success, with the opening of more than 1 million accounts and net inflows of EUR 2.5 billion at end-January 2009. Conversely, home ownership savings plans continued to record sustained outflows (-11.5% vs. 2007), adversely affected by the less attractive remuneration. Overall, individuals' balance sheet deposits were 1.8% higher year-on-year.

Meanwhile, life insurance inflows were substantially lower (-20.1%) compared to 2007, adversely affected by the inversion of the yield curve and plummeting stock markets. They dragged down financial savings whose outstandings fell -2.5% year-on-year.

The French Networks also continued to help customers with the financing of their projects. Despite the drop in loan applications observed at year-end, reflecting the indecision of households in an uncertain environment, outstanding loans to individuals were generally up +8.8% year-on-year, and up +10.2% for housing loans.

**The business customer market** was also strong.

Outstanding balance sheet deposits rose +18.4% vs. 2007 due to the combined effect of healthy sight deposit performance (+2.3% year-on-year) and a jump in term deposits (+97.7% vs. 2007).

At the same time, the French Networks actively contributed to the financing of the economy, with a +17.0% increase in outstanding loans to business customers, including +13.1% for operating loans and +18.1% for investment loans.

Generally, **financial results** mirrored commercial performances. Net banking income was up +2.2% year-on-year, excluding the EUR 6 million PEL/CEL provision allocation (vs. a EUR 53 million write-back in 2007) and non-recurring items (capital gains in respect of Euronext in 2007 and VISA in 2008). Net banking income grew +3.6% in Q4 08, excluding changes in the PEL/CEL provision and non-recurring items.

The net interest margin was 3.2%<sup>(b)</sup> higher than in 2007 (excluding the PEL/CEL provision), due to a combination of improved margins on outstanding loans and growth in outstanding deposits, offsetting the increase in interest rates for regulated savings.

Commission income rose +1.1% in 2008, on the back of service commissions (+6.3% year-on-year) driven by the expansion of customer franchises and synergies between the Societe Generale networks, Private Banking, and Corporate and Investment Banking. That said, financial commissions were lower (-12.9% vs. 2007), reflecting the impact of the financial markets' crisis on inflows and asset volumes.

Operating expenses rose +2.5% year-on-year, and +4.7% in Q4 08 vs. Q4 07.

The cost to income ratio (excluding the effect of the PEL/CEL provision) declined slightly to 65.0% (vs. 65.2% a year earlier). In Q4 08 and excluding the effect of the PEL/CEL provision, it was down 1.8 point vs. Q4 07 at 64.8% (vs. 66.6%).

There was a significant increase in the net cost of risk for the year (36 basis points in 2008), due to the effect on business customers (particularly in some sectors of activity, such as auto parts suppliers) of the deteriorating economic climate. It stood at 56 basis points in Q4 08 (35 basis points in Q4 07).

The French Networks' contribution to Group net income totalled EUR 1,296 million, down -5.7% vs. end-2007. For Q4 2008, the figure was EUR 311 million, slightly lower (-1.3%) than in Q4 07.

#### 4. INTERNATIONAL RETAIL BANKING

<i>In EUR m</i>	2008	2007	Change 08/07	Q4 08	Q4 07	Change Q4/Q4
Net banking income	4,976	3,444	+44.5%	1,347	950	+41.8%
<i>On a like-for-like basis*</i>			+21.1%			+21.6%
Operating expenses	(2,752)	(1,986)	+38.6%	(741)	(529)	+40.1%
<i>On a like-for-like basis*</i>			+12.2%			+14.3%
Gross operating income	2,224	1,458	+52.5%	606	421	+43.9%
<i>On a like-for-like basis*</i>			+33.2%			+30.7%
Net allocation to provisions	(500)	(204)	x2.5	(207)	(49)	x4.2
Operating income	1,724	1,254	+37.5%	399	372	+7.3%
<i>On a like-for-like basis*</i>			+28.7%			+12.6%
Net income	609	686	-11.2%	(76)	202	NM

	2008	2007
ROE after tax	23.3%	36.9%

Q4 08	Q4 07
NM	39.9%

**International Retail Banking** enjoyed consistent, sustained growth in its performances during 2008.

Customer franchises continued to expand in 2008, with the division winning 625,800 new individual customers in the space of a year and at constant structure, thereby taking the portfolio to 12.1 million individual customers and approximately 807,000 business customers at end-2008.

Volume growth remained strong: +6.6% year-on-year for outstanding deposits (including +8.1% for business customers and +5.0% for individual customers) and +25.7% for outstanding loans (including +25.9% for business customers and +25.2% for individual customers).

International Retail Banking opened 248 branches in 2008 vs. 379 in 2007, reflecting the adjustment of its expansion policy to take account of the changing economic environment. The slowdown relates primarily to Romania which, with 124 new branches in 2008 vs. 206 in 2007 and 274 in 2006, has reached the target of 930 branches (vs. 806 at end-2007). Branch openings in 2008 were aimed, firstly at developing recent acquisitions in Central and Eastern Europe, and secondly at optimising the branch network in regions with strong potential (57 branch openings in the Mediterranean Basin). In the case of Russia, the Group's long-term aim is to continue with the expansion of the platform once macroeconomic conditions have stabilised.

International Retail Banking had a total of 3,709 branches and 63,000 employees at end-2008.

International Retail Banking revenues totalled EUR 4,976 million in 2008, up +21.1%\* vs. 2007 (+44.5% in absolute terms). They represent 23% of Group revenues. Operating expenses rose +12.2%\*. If branch network development costs are stripped out, the increase is limited to +7.7%. Q4 08 net banking income climbed +21.6%\* (+41.8% in absolute terms) to EUR 1,347 million, while operating expenses were 14.3%\* higher than in Q4 07, at constant structure, and 8.0% higher excluding network development costs.

Gross operating income totalled EUR 2,224 million, up +33.2%\* (+52.5% in absolute terms). The increase was +30.7%\* (+43.9% in absolute terms) in Q4 08. As a result, there was a 2.4-point improvement (55.3%) in the C/I ratio vs. end-2007. The C/I ratio was 55.0% in Q4 08 vs. 55.7% in Q4 07.

The net cost of risk amounted to 73 basis points in 2008 vs. 44 basis points in 2007, due to deteriorating risks in a crisis environment. The cost of risk stood at 56 basis points excluding Rosbank. The figure was 122 basis points in Q4 08 vs. 46 basis points in Q4 07. The higher figure can be attributed mainly to Rosbank's implementation of Group standards. Excluding Rosbank, International Retail Banking's cost of risk remained at a reasonable level in Q4 08 (92 basis points), given the current economic slowdown. International Retail Banking is continuing with its selective credit policy in certain customer segments and accelerating the rolling out of the Group's risk tools in all subsidiaries (in particular the development and back-testing of rating models).

As a precaution, the Group has decided to recognise a EUR 300 million goodwill impairment relating to its Russian operations. The economic crisis in Russia will probably cause the Group to postpone the implementation of its business plan. This cautious approach does not undermine banking activity's strong potential in Russia.

International Retail Banking's contribution to Group net income totalled EUR 609 million. Excluding the effect of non-recurring items (including this goodwill impairment), the figure would be EUR 898 million, an increase of +30.9% in absolute terms. The contribution to Group net income in Q4 08 was EUR -76 million. It would be EUR 250 million (excluding the effect of non-recurring items), representing an increase vs. Q4 07 of +23.8% in absolute terms.

Excluding the effect of non-recurring items, ROE after tax stood at 34.4% (vs. 36.9% in 2007). It was 34.4% for Q4 08.

## 5. FINANCIAL SERVICES

<i>In EUR m</i>	2008	2007	Change 08/07	Q4 08	Q4 07	Change Q4/Q4
<b>Net banking income</b>	<b>3,115</b>	<b>2,838</b>	<b>+9.8%</b>	<b>712</b>	<b>798</b>	<b>-10.8%</b>
<i>On a like-for-like basis*</i>			<b>+7.1%</b>			<b>-2.8%</b>
<b>Operating expenses</b>	<b>(1,795)</b>	<b>(1,526)</b>	<b>+17.6%</b>	<b>(458)</b>	<b>(435)</b>	<b>+5.3%</b>
<i>On a like-for-like basis*</i>			<b>+9.3%</b>			<b>0.0%</b>
<b>Gross operating income</b>	<b>1,320</b>	<b>1,312</b>	<b>+0.6%</b>	<b>254</b>	<b>363</b>	<b>-30.0%</b>
<i>On a like-for-like basis*</i>			<b>+4.6%</b>			<b>-6.2%</b>
<b>Net allocation to provisions</b>	<b>(587)</b>	<b>(374)</b>	<b>+57.0%</b>	<b>(191)</b>	<b>(102)</b>	<b>+87.3%</b>
<b>Operating income</b>	<b>733</b>	<b>938</b>	<b>-21.9%</b>	<b>63</b>	<b>261</b>	<b>-75.9%</b>
<i>On a like-for-like basis*</i>			<b>-8.3%</b>			<b>-32.3%</b>
<b>Net income</b>	<b>469</b>	<b>600</b>	<b>-21.8%</b>	<b>15</b>	<b>168</b>	<b>-91.1%</b>

	2008	2007
<b>ROE after tax</b>	<b>11.1%</b>	<b>16.1%</b>

	Q4 08	Q4 07
<b>ROE after tax</b>	<b>1.4%</b>	<b>17.3%</b>

The **Financial Services** division comprises

- (i) **Specialised Financing** (consumer credit, equipment finance, operational vehicle leasing and fleet management, IT leasing and management)
- (ii) **Life and Non-Life Insurance.**

**Consumer credit** continued to enjoy strong commercial growth in 2008, with EUR 13.6 billion of new business during the year, an increase of +16.2%\* vs. 2007. This trend reflects the differing situations in the countries where the Group operates.

Mature markets (France, Italy, Germany) experienced more moderate growth, albeit steady throughout the year (+1.5%\* of new business in 2008). The Group boasts solid positions in these countries and favours the formation of banking and commercial partnerships. This strategy is illustrated in the plans to set up a joint company with La Banque Postale (*French Post Office Bank*). The new entity, which will be 35%-owned by the Group, is expected to start up operations in Q1 2010.

The contribution of other countries, and especially Russia, Poland and Brazil, is significant: their share of new business amounted to 33.5% in 2008. Russia and Poland enjoyed robust growth in new business throughout the year (+68.1%\*). However, growth declined -11.3%\* in Q4 08 vs. Q3 08, with the Group adapting its commercial policy to funding constraints and increased risks. In particular, the Group decided to shun new business opportunities in the Ukraine where, in Q4 08, it was hit by the combination of a currency loss and characteristics specific to the Group's consumer credit business in that country. A review was carried out in the Group's other operations and confirmed the exceptional nature of the Ukrainian situation in terms of these types of risk.

As for **Equipment Finance**, SG Equipment Finance – one of the European leaders in equipment finance – generated EUR 9.3 billion of new financing in 2008 (excluding factoring), an increase of +7.2%\* vs. end-2007. It enjoyed sustained business in Germany (+5.8%\*), its prime market, Scandinavia (+3.6%\*) and France (+7.5%\*), as well as in the Czech Republic (+17.9%\*). Outstanding loans (excluding factoring) totalled EUR 18.7 billion at end-2008, representing an increase of +11.9%\* vs. 2007. In light of the depressed economic environment, SG Equipment Finance has adopted a

more selective approach to clients in order to maintain the profitability of its activities. ROE stood at 11.4% in 2008, vs. 12.1% in 2007.

In **operational vehicle leasing and fleet management**, ALD Automotive has confirmed its ranking as the European No. 2 with a fleet under management of more than 786,500 vehicles at end-2008 (+8.0%\* vs. end-2007). This growth is driven by both France and Germany, its two key markets, with respectively +5.4%\* and +9.1%\* vs. end-2007, but also by countries with strong potential such as India, Brazil and Poland (+61.2%\* for these three countries). The market downturn was strongly felt in the second-hand vehicles market, with substantially lower volumes and prices. To remedy this situation, the business line has focused on the development of alternative resale channels and, at the same time, reduced its entities' breakeven point.

**Specialised Financing** revenues were up +9.9%\* (+12.9% in absolute terms) at EUR 2,645 million in 2008. In spite of a +9.5%\* increase in operating expenses (+18.6% in absolute terms), gross operating income amounted to EUR 1,031 million, up +10.5%\* (+5.0% in absolute terms).

Net banking income in Q4 08 was 4.1%\* higher at EUR 618 million. It was 6.2% lower in absolute terms due primarily to a EUR 92 million currency loss in the Prostofinance consumer credit subsidiary in the Ukraine, and EUR 65 million of losses and write-downs on second-hand vehicles. Operating expenses rose slightly (+1.3%\*, or +6.4% in absolute terms). As a result, gross operating income totalled EUR 205 million in Q4 08, up +8.0%\* (-24.4% in absolute terms). When restated for the two aforementioned negative effects, gross operating income totalled EUR 362 million, up 30.2% in absolute terms.

**Life insurance** experienced a difficult year, impacted by the financial crisis and savers shunning of long-term products. Gross new inflow totalled EUR 7.8 billion in 2008, down -12.3%\* vs. 2007 (same as for the bancassurance market in France). The proportion of with-profits policies rose (84% in 2008 vs. 70% in 2007) at the expense of unit-linked policies.

The **Insurance** business generated net banking income of EUR 470 million in 2008, down -5.8%\* (-5.1% in absolute terms). Revenues totalled EUR 94 million in Q4 08, down -34.5%\* and -32.4% in absolute terms.

The net allocation to provisions was 38.5%\* higher than in 2007 (+57.0% in absolute terms) at EUR 587 million, or 123 basis points vs. 89 basis points in 2007. It was EUR 191 million in Q4 08, or 160 basis points vs. 97 basis points for the same quarter of the previous year. The increase was mainly in consumer credit, essentially in Central and Eastern Europe.

**Financial Services'** operating income totalled EUR 733 million in 2008, down -8.3%\* (-21.9% in absolute terms). The contribution to Group net income was 8.9%\* lower (-21.8% in absolute terms) at EUR 469 million.

ROE after tax stood at 11.1% in 2008 vs. 16.1% in 2007.

Operating income totalled EUR 63 million in Q4 08, down -32.3%\* (-75.9% in absolute terms) and the contribution to Group net income was EUR15 million.

## 6. GLOBAL INVESTMENT MANAGEMENT AND SERVICES

<i>In EUR m</i>	2008	2007	Change 08/07	Q4 08	Q4 07	Change Q4/Q4
Net banking income	2,810	3,741	-24.9%	597	852	-29.9%
<i>On a like-for-like basis***</i>			-26.7%			-35.6%
Operating expenses	(2,630)	(2,708)	-2.9%	(673)	(744)	-9.5%
<i>On a like-for-like basis***</i>			+2.9%			-8.3%
Operating income	127	992	-87.2%	(115)	75	NM
<i>On a like-for-like basis***</i>			-96.9%			NM
Net income	104	652	-84.0%	(71)	50	NM
<i>Of which Asset Management</i>	(258)	169	NM	(152)	(30)	NM
<i>Private Banking</i>	213	215	-0.9%	57	58	-1.7%
<i>Securities Services, Brokers &amp; Online Savings</i>	149	268	-44.4%	24	22	+9.1%

<i>In EUR bn</i>	2008	2007
Net inflow for period <sup>(c)</sup>	-22.0	20.1
AuM at end of period <sup>(c)</sup>	336	435

Q4 08	Q4 07
-8.3	-6.1
336	435

<sup>(c)</sup> Excluding assets managed by Lyxor

\*\*\* Excluding Fimat and Newedge

**Global Investment Management and Services consists of three major activities:**

- (i) asset management (Societe Generale Asset Management)
- (ii) private banking (SG Private Banking)
- (iii) Societe Generale Securities Services (SG SS), brokers (Newedge), and online savings (Boursorama).

2008 was a generally unfavourable year for **Global Investment Management and Services**, which was hit by the combined effects of the stock market downturn and the liquidity crisis. As a result, the performances of the different businesses are mixed.

**Asset Management** continued to be impacted by the crisis and outflows observed in several asset classes. Its results include the losses resulting from the liquidity support measures taken by SGAM in Q1 08 in respect of some dynamic money market funds and in the interests of its clients, and valuation adjustments on some assets in Q4 08. Against this backdrop of a worsening crisis, major initiatives were taken to optimise the operations and improve their performance. As a result, a preliminary agreement was concluded between the Group and Crédit Agricole SA to merge their asset management activities. The new entity, which is expected to come into operation in H2 2009, would encompass all CAAM's activities, with Societe Generale contributing its European and Asian asset management activities and 20% of TCW. It would be 70%-owned by Crédit Agricole and 30%-owned by Societe Generale. At end-September 2008, it represented EUR 638 billion of assets under management, excluding TCW, and is expected to be ranked No. 4 in Europe. A planned merger between SGAM AI and Lyxor Asset Management is also under review, while the disposal of the UK asset management subsidiary was announced in December 2008.

The very poor stock market environment had an adverse effect on Securities Services, Brokers and Online Savings activities during 2008. Their revenues and contribution to Group net income were therefore lower than in 2007.

Thanks to its sustained commercial momentum, Private Banking produced satisfactory performances despite a challenging environment. It enhanced its operating infrastructure in 2008 by continuing to expand its network in France and through new subsidiaries in Canada, the United Kingdom and the United States.

The division's assets under management totalled EUR 336.1 billion at end-2008, a decline for the year of -22.7%, due to both outflow and the marked downturn in the markets.

Overall, Global Investment Management and Services generated revenues of EUR 2,810 million in 2008, down -26.7%\* (-24.9% in absolute terms). Operating expenses rose +2.9%\* (-2.9% in absolute terms), while gross operating income was sharply lower (-92.2%\* and -82.6% in absolute terms) at EUR 180 million. The contribution to Group net income amounted to EUR 104 million, or -93.3%\* (-84.0% in absolute terms).

The division generated net banking income down -35.6%\* (-29.9% in absolute terms) in Q4 08 vs. Q4 07. Operating expenses fell -8.3%\* (-9.5% in absolute terms), while the net allocation to provisions amounted to EUR 39 million. As a result, the division's contribution to Group net income was negative in Q4 08 (EUR -71 million).

### **Asset management**

Asset Management recorded a EUR -26.5 billion net outflow in 2008 (including EUR -8.6 billion in Q4 08) for SGAM AI (EUR -15.5 billion) and TCW (EUR -13.9 billion), whereas SGAM and SGAM UK attracted net inflows of respectively EUR +2.6 billion and EUR +0.3 billion.

The outflow affected dynamic money market funds (EUR -9.3 billion), CDOs (EUR -8.2 billion), equities and diversified assets (EUR -11.8 billion), as well as alternative investment products (EUR -4.1 billion). Meanwhile, traditional money market funds and bond products enjoyed net inflows of respectively EUR 5.9 billion and EUR 1.0 billion in 2008.

With an adverse "market" effect of EUR -69.2 billion (including EUR -24.8 billion in Q4 08) and a positive "currency" effect of EUR +7.2 billion (including EUR +4.6 billion in Q4 08), assets under management totalled EUR 269.2 billion at end-2008, broken down as follows:

- (i) EUR 164.5 billion of assets managed by SGAM including EUR 107.1 billion (65.1%) in fixed income products and EUR 52.8 billion (32.1%) in equities and diversified assets. These assets would be contributed under the merger with CAAM;
- (ii) EUR 74.2 billion of assets managed by TCW;
- (iii) EUR 24.5 billion of assets managed by SGAM AI whose merger with Lyxor Asset Management is currently under review. Assets managed by Lyxor Asset Management totalled EUR 60.6 billion at end-2008;
- (iv) EUR 5.8 billion of assets managed by SGAM UK (disposal currently under way).

SGAM's net banking income totalled EUR 409 million at end-2008, representing a decline of -63.1%\* (-63.4% in absolute terms). This can be explained by shrinking assets under management, asset restructuring and resulting impairment and losses prompted by the market downturn.

Operating expenses were 3.2%\* lower (-5.8% in absolute terms), reflecting primarily the adjustment of performance-linked pay to the business line's overall performance.

Gross operating income and the contribution to Group net income amounted to respectively EUR -383 million and EUR -258 million for 2008.

Revenues generated by Asset Management totalled EUR -18 million in Q4 08, following the recording of EUR 144 million of additional write-downs related to the crisis (including EUR 95 million for

restructuring and the reduced leverage of alternative funds, and EUR 28 million on long-term investments). The adverse market trend has also resulted in EUR 55 million of write-downs in respect of seed money. Operating expenses were 12.0%\* lower (-13.2% in absolute terms). Gross operating income was EUR -215 million, with the contribution to Group net income amounting to EUR -152 million.

### **Private banking**

The quality of its product offering and operations, its recognised expertise and the commercial dynamism of its sales teams helped SG Private Banking achieve satisfactory performances in 2008, despite an unfavourable environment.

SG Private Banking attracted net inflow of EUR 4.5 billion in 2008, or +6% of assets on an annualised basis. Given the negative market and currency impact (respectively EUR -14.2 billion and EUR -1.5 billion) and structure effects (EUR +1.2 billion), assets under management totalled EUR 66.9 billion at end-2008, down -13.0% vs . end-2007.

The business line generated revenues of EUR 839 million in 2008, up +2.0%\* (+1.9% in absolute terms). Operating expenses were 1.9%\* higher in 2008 (+1.5% in absolute terms) due to ongoing organic growth and commercial investments. Gross operating income amounted to EUR 300 million, up +2.0%\* (+2.7% in absolute terms).

After taking into account a net allocation to provisions of EUR 32 million in 2008, including a non-recurring loss related to Washington Mutual exposure, the contribution to Group net income totalled EUR 213 million, stable vs. 2007 (-0.9% in absolute terms).

Net banking income was 5.6%\* lower (-3.9% in absolute terms) in Q4 08 than in Q4 07 at EUR 224 million. Operating expenses were 14.1%\* lower (-12.1% in absolute terms). As a result, gross operating income totalled EUR 86 million (vs. EUR 76 million in Q4 2007).

### **Societe Generale Securities Services (SG SS), Brokers (Newedge) and Online Savings (Boursorama)**

Securities Services' assets under custody and assets under administration declined by respectively -0.9% and -4.7% vs. end-2007 on the back of the downturn in the markets, in particular stock market indexes.

Capitalising on the strong volatility, Newedge has enjoyed record business in the months since September. The subsidiary recorded 1,579 million trades executed and 1,733 million contracts cleared in 2008. Newedge consolidated its leading position (No. 2) at end-December 2008, based on US deposits.

Boursorama saw a decline in both its brokerage and savings activities compared with 2007. The number of orders executed was 7.9% lower than at end-2007, while outstanding online savings fell -14.5% at constant structure to EUR 2.7 billion at end-2008. Online banking continues to expand with 21,240 bank accounts opened in 2008, taking the total to 78,900 at end-2008 vs. 63,800 at end-2007.

Net banking income for SGSS, Brokers and Online Savings totalled EUR 1,562 million, down -10.7%\* vs. end-2007 (-13.2% in absolute terms). Operating expenses increased +11.4%\* but were down -2.8% in absolute terms. As a result, the division's 2008 gross operating income was 53.4%\* lower than in 2007, while the contribution to Group net income fell -56.3%\*.

The business line generated revenues of EUR 391 million in Q4 08, representing a decline of -9.2%\* vs. Q4 07 (-8.6% in absolute terms). Gross operating income was 59.5%\* lower (-22.1% in absolute terms), while the EUR 24 million contribution to Group net income was slightly higher than the level in 2007 (+9.1% in absolute terms).

## 7. CORPORATE AND INVESTMENT BANKING

<i>In EUR m</i>	2008	2007	Change 08/07	Q4 08	Q4 07 <sup>(a)</sup>	Change Q4/Q4
<b>Net banking income</b>	<b>4,017</b>	<b>4,522</b>	<b>-11.2%</b>	<b>1,144</b>	<b>(661)</b>	<b>NM</b>
<i>On a like-for-like basis*</i>			<b>-12.3%</b>			<b>NM</b>
<i>Finance and Advisory</i>	3,633	1,859	+95.4%	2,223	681	x3.3
<i>Fixed Income, Currencies and Commodities</i>	(953)	(885)	-7.7%	(471)	(2,099)	+77.6%
<i>Equities</i>	1,337	3,548	-62.3%	(608)	757	NM
<b>Operating expenses</b>	<b>(3,478)</b>	<b>(3,425)</b>	<b>+1.5%</b>	<b>(746)</b>	<b>(489)</b>	<b>+52.6%</b>
<i>On a like-for-like basis*</i>			<b>+5.3%</b>			<b>+54.8%</b>
<b>Gross operating income</b>	<b>539</b>	<b>1,097</b>	<b>-50.9%</b>	<b>398</b>	<b>(1,150)</b>	<b>NM</b>
<i>On a like-for-like basis*</i>			<b>-57.8%</b>			<b>NM</b>
<b>Net allocation to provisions</b>	<b>(1,024)</b>	<b>56</b>	<b>NM</b>	<b>(365)</b>	<b>5</b>	<b>NM</b>
<b>Operating income excluding net losses (see below)</b>	<b>(485)</b>	<b>1,153</b>	<b>NM</b>	<b>33</b>	<b>(1,145)</b>	<b>NM</b>
<i>On a like-for-like basis*</i>			<b>NM</b>			<b>NM</b>
<b>Net losses from unauthorised, concealed market activities</b>	<b>0</b>	<b>(4,911)</b>	<b>NM</b>	<b>0</b>	<b>(4,911)</b>	<b>NM</b>
<b>Operating income including net losses (see above)</b>	<b>(485)</b>	<b>(3,758)</b>	<b>+87.1%</b>	<b>33</b>	<b>(6,056)</b>	<b>NM</b>
<i>On a like-for-like basis*</i>			<b>NM</b>			<b>NM</b>
<b>Net income</b>	<b>(235)</b>	<b>(2,221)</b>	<b>+89.4%</b>	<b>56</b>	<b>(3,918)</b>	<b>NM</b>

	2008	2007
<b>ROE after tax</b>	<b>NM</b>	<b>NM</b>

	Q4 08	Q4 07 <sup>(a)</sup>
	<b>3.1%</b>	<b>NM</b>

(a): Reported data not restated for the accounting consequences of the fictitious operations recorded in 2007 on unauthorised and concealed market activities. The restated data appear in Appendix 3. However, in order to provide more relevant information on Corporate and Investment Banking's performance, the figures correspond to reported historic data. The comments are also based on these reported historic data.

There was a sharp deterioration in the **Corporate and Investment Banking** environment in 2008. The collapse of Lehman Brothers in mid-September caused a dislocation in all markets – plummeting equity markets, accompanied by strong volatility and a sudden and general widening of credit market spreads – with the peak reached in Q4 2008.

With its ambition of ranking among the sector leaders in Europe, Corporate and Investment Banking, a business at the heart of the Group's strategy, has embarked on a plan to optimise its business model in order to adapt to the new environment. The plan is a continuation of the strategy based on its three areas of excellence (euro capital markets, derivatives, and structured finance), which retain their full potential to meet client needs, as reflected in the division's satisfactory performances at the start of 2009. There has been a relative lull in market conditions since the beginning of 2009 compared with the exceptionally adverse environment in Q4 08, both in equity markets and fixed income and credit markets. Client-driven activities have benefited from a sharp upturn in bond issues and in some financing activities in which Corporate and Investment Banking has successfully positioned itself.

Corporate and Investment Banking's optimisation plan is aimed at boosting the proportion of client-driven revenues and improving the division's commercial and operating efficiency by focusing on three priorities:

- 1) Developing a client-focused approach: through increased coverage of target clients, synergies between activities (cross-selling, integrated client solutions), and advisory activities (M&A, debt, capital and assets/liabilities management).
- 2) Enhancing efficiency: by optimising the allocation and management of scarce resources (capital, balance sheet, liquidity), strictly controlling costs, and further industrialising the production chains.
- 3) Improving the risk profile: by strengthening cross-functional management of market risks and continuing with the transformation of the operating model.

A plan to realign the organisational structure of some of the division's businesses is under review. Its main purpose is the merger of capital markets activities (Equities, Fixed Income, Currencies & Commodities) in order to enhance the synergies in client-driven activities and in risk and resources management. If necessary, this plan will be submitted to staff representation bodies for consultation.

The division's 2008 revenues include EUR -1.5 billion of non-recurring items<sup>(b)</sup> related to this very challenging environment, of which:

- EUR -494 million as a result of the collapse of financial institutions
- EUR -2,260 million of valuation write-downs on assets at risk
- EUR -1,199 million of valuation write-downs on monoline and CDPC exposures
- EUR + 339 million on the revaluation of financial liabilities
- EUR +2,112 million corresponding to the Mark-to-Market of corporate credit portfolio hedges.

In order to facilitate the assessment of underlying performances for the division's businesses, comments on the trend in revenues included in net banking income are based on data excluding non-recurring items. However, comments relating to operating income and the contribution to Group net income take into account these items.

The Group has also decided to avail itself of the option under the amendment to IAS 39, as from October 1st 2008. This involves reclassifying financial assets at fair value through profit and loss and assets available for sale under the Loans & Receivables category (EUR 23.5 billion of assets reclassified). The effect of this reclassification on the division's net banking income at December 31st 2008 is to neutralise the negative fair value revaluation of EUR 1.4 billion.

The division's revenues excluding non-recurring items totalled EUR 5,519<sup>(b)</sup> million vs. EUR 6,870<sup>(b)</sup> million in 2007, down -19.7%<sup>(b)</sup> year-on-year. Client-driven activities recorded a very good performance in 2008 (second record performance). Trading activities also generated good revenue levels, until Q3. Net banking income excluding non-recurring items totalled EUR 319<sup>(b)</sup> million in Q4 08 vs. EUR 1,472<sup>(b)</sup> million in Q4 07.

Revenues for the **Equities** business were down -57.1%<sup>(b)</sup> vs. 2007 at EUR 1,446 million having been adversely affected by a very difficult Q4. The sharp deterioration in market conditions (shift in market parameters - dividends, volatility and correlation - to levels never seen before) is the main cause of the losses related to hedges on client transactions and losses on volatility trading activities. Against this backdrop, revenues for the Equities business totalled EUR -519 million in Q4 08, vs. EUR 598 million in Q4 07. That said, client-driven activities posted a satisfactory performance: although structured products suffered from being shunned by investors, flow products were highly resilient. Lyxor recorded net inflows of EUR 3.4 billion in 2008, driven by index-based investment products. At end-2008, Lyxor's assets under management totalled EUR 60.6 billion. SG CIB affirmed its leading position: global No. 2 in Warrants (13.7% market share at end-December 2008) and No. 2 in Europe on ETFs (25.5% market share at end-December 2008). SG CIB retained its global leadership position in equity derivatives in 2008 with the award of "Best Equity derivative provider in

Europe, Asia and North America” by Global Finance, and maintained its ranking of global No. 1 by “RISK Interdealer Rankings 2008”.

**Fixed Income, Currencies & Commodities** enjoyed an excellent performance, with revenues up +36.3%<sup>(b)</sup> vs. 2007, at EUR 2,507 million, and benefiting from widening bid/ask spreads and the withdrawal of some players from the market. As a result, it generated record sales revenues (+33% vs. 2007 and +85.1% vs. Q4 07), driven by flow products (+65%/2007) and commodities (+47%/2007). Recent rankings reflect this robust performance: No. 1 in the Euromoney Debt Trading Poll, No. 3 Top Dealer overall - commodities (Energy/RISK), No. 2 in euro interest rate caps/floors, No. 5 in euro inflation swaps (“RISK Interdealer Rankings 2008”). SG CIB was also voted “Global Best Commodities House” by “Risk Magazine 2008”. Trading profits were also up +46.9%<sup>(b)</sup> vs. 2007.

**Financing & Advisory** produced strong overall results in 2008, with revenues totalling EUR 1,566 million, down -5.7%<sup>(b)</sup> vs. 2007, in a market with plummeting volumes. In addition to the excellent performances of infrastructure and natural resources financing, cross-selling activities were able to leverage strong market volatility by offering the Group’s clients tailored risk hedging solutions. However, leverage and property financing activities were affected throughout the year by adverse market conditions. SG CIB played a key role in a number of major transactions such as the financing of the Anheuser-Busch Inbev acquisition (USD 45 billion) and EDF’s purchase of British Energy (GBP 11 billion) or the implementation of several infrastructure and natural resources financing agreements (“Liefkenshoek” rail link in Belgium, refinancing of FGPC - Santa Rita project in the Philippines). SG CIB was also involved in several major euro bond issues and was ranked 5th in 2008 for this activity (No. 5 in Euro Bonds). Finally, the business line was a Joint Bookrunner for the Vattenfall (5th largest European electricity supplier) and GDF-Suez bond issues, and for the SFEF’s first two issues.

Corporate and Investment Banking’s operating expenses were 5.3%\* higher (+1.5% in absolute terms) than in 2007, with a C/I ratio of 86.6% (63.0%<sup>(b)</sup> excluding non-recurring items). Resulting from an enhanced risk control infrastructure, higher operating expenses were partially offset by (i) the sharp decline in performance-linked pay, (ii) adjustments to the bonus allocation policy, and (iii) adjustments in front office headcount. Operating expenses totalled EUR 746 million in Q4 08. This was substantially higher than in Q4 07, which represented a particularly low comparison base following the adjustments taken into account after the discovery of the fraud , but 4.0% lower than in Q3 08.

The division recorded a net allocation to provisions of EUR 1,024 million in 2008, including EUR 365 million in Q4 08, related primarily to a number of counterparties defaulting during the year, particularly in the construction and commercial property sectors, and among financial institutions.

Corporate and Investment Banking generated total operating income of EUR -485 million in 2008 (EUR 33 million in Q4 08). It made a positive contribution to Group net income of EUR 56 million in Q4 08 and a negative contribution of EUR -235 million for full year 2008.

## 8. CORPORATE CENTRE

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The Corporate Centre recorded gross operating income of EUR -438 million in 2008 vs. EUR +226 million in 2007. This result was due primarily to the decline in equity portfolio income, which amounted to EUR +70 million vs. EUR +502 million in 2007. 2008 equity portfolio income includes, in particular, permanent impairment (EUR -249 million), as well as the proceeds of the disposal of the shareholding in Bank Muscat (EUR +262 million). Moreover, following the merger of Fimat during the creation of the new entity Newedge, a EUR +602 million pre-tax capital gain was recorded in net gains on other assets. At December 31st 2008, the IFRS net book value of the industrial equity portfolio, excluding unrealised capital gains, amounted to EUR 736 million, representing market value of EUR 765 million.

## 9. CONCLUSION

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2008 afforded the Societe Generale Group an opportunity to demonstrate its robustness and resilience to major shocks. Throughout 2008, the Group endeavoured to support its customers both inside and outside France, maintain and develop its commercial positioning in several business franchises. However, the significant slowdown in the economy was felt in a number of activities. The Group has already announced major realignment measures in Asset Management with the planned CAAM-SGAM merger and a plan to optimise its Corporate and Investment Banking business model.

The environment will probably remain challenging throughout 2009. Against this backdrop, the Group has set three priorities: (i) to pursue its commercial expansion on a targeted basis (which is likely to lead to moderate growth in its risk-weighted assets), thus meeting the needs of its customers while maintaining its risk control and reduction policy; (ii) to step up strict control of overhead costs; and (iii) to preserve its solvency at an adequate level. In view of this very uncertain environment, but also with confidence in the Group's ability to get through the crisis while strengthening its growth strategy, the Board of Directors has decided to propose a dividend per share of EUR 1.2 with a share payment option to the Annual General Meeting.

### ***2008-2009 financial communication calendar***

<b>May 7th 2009</b>	<b>Publication of first quarter 2009 results</b>
<b>May 19th 2009</b>	<b>Annual General Meeting</b>
<b>May 27th 2009</b>	<b>Dividend detachment</b>
<b>June 19th 2009</b>	<b>Dividend payment</b>
<b>August 5th 2009</b>	<b>Publication of second quarter 2009 results</b>
<b>November 4th 2009</b>	<b>Publication of third quarter 2009 results</b>

This document contains a number of forecasts and comments relating to the targets and strategies of the Societe Generale Group.

These forecasts are based on a series of assumptions, both general and specific. As a result, there is a risk that these projections will not be met. Readers are therefore advised not to rely on these figures more than is justified as the Group's future results are liable to be affected by a number of factors and may therefore differ from current estimates.

Investors are advised to take into account factors of uncertainty and risk when basing their investment decisions on information provided in this document. Neither Societe Generale nor its representatives may be held liable for any loss resulting from the use of this presentation or its contents, or anything relating to them, or any document or information to which the presentation may refer.

Unless otherwise specified, the sources for the rankings are internal.

## APPENDIX 1: FIGURES AND QUARTERLY RESULTS BY CORE BUSINESS

CONSOLIDATED INCOME STATEMENT (in EUR millions)	Yearly				Fourth Quarter			
	2008	2007	Change 08/07		Q4 08	Q4 07 <sup>(a)</sup>	Change Q4/Q4	
Net Banking Income	21,866	21,923	-0.3%	-3.9%(*)	5,495	3,880	+41.6%	+44.9%(*)
Operating expenses	(15,528)	(14,305)	+8.5%	+6.2%(*)	(3,969)	(3,416)	+16.2%	+13.3%(*)
<b>Gross operating income</b>	<b>6,338</b>	<b>7,618</b>	<b>-16.8%</b>	<b>-21.9%(*)</b>	<b>1,526</b>	<b>464</b>	<b>x3.3</b>	<b>x4.4(*)</b>
Net allocation to provisions	(2,655)	(905)	x2.9	x2.8(*)	(983)	(301)	x3.3	x3.1(*)
<b>Operating income excluding net losses (see below)</b>	<b>3,683</b>	<b>6,713</b>	<b>-45.1%</b>	<b>-47.2%(*)</b>	<b>543</b>	<b>163</b>	<b>x3.3</b>	<b>NM(*)</b>
Net losses from unauthorised, concealed market activities	0	(4,911)	NM	NM(*)	0	(4,911)	NM	NM(*)
<b>Operating income including net losses (see above)</b>	<b>3,683</b>	<b>1,802</b>	<b>x2.0</b>	<b>NM(*)</b>	<b>543</b>	<b>(4,748)</b>	<b>NM</b>	<b>NM(*)</b>
Net income or losses from other assets	633	40	NM		(26)	13	NM	
Net income from companies accounted for by the equity method	(8)	44	NM		(22)	12	NM	
Impairment losses on goodwill	(300)	0	NM		(300)	0	NM	
Income tax	(1,235)	(282)	x4.4		49	1,534	+96.8%	
<b>Net income</b>	<b>2,773</b>	<b>1,604</b>	<b>+72.9%</b>		<b>244</b>	<b>(3,189)</b>	<b>NM</b>	
o.w. minority interests	763	657	+16.1%		157	162	-3.1%	
<b>Net income</b>	<b>2,010</b>	<b>947</b>	<b>x2.1</b>		<b>87</b>	<b>(3,351)</b>	<b>NM</b>	
Annualised Group ROE after tax (as %)	6.4%	3.6%			0.4%	NM		
Tier 1 ratio at end of period (Basel I)	7.9%	6.6%			7.9%	6.6%		

(\*) When adjusted for changes in Group structure and at constant exchange rates

NET INCOME AFTER TAX BY CORE BUSINESS (in EUR millions)	Yearly			Fourth quarter		
	2008	2007	Change 08/07	Q4 08	Q4 07 <sup>(a)</sup>	Change Q4/Q4
<b>French Networks</b>	<b>1,296</b>	<b>1,375</b>	<b>-5.7%</b>	<b>311</b>	<b>315</b>	<b>-1.3%</b>
<b>International Retail Banking</b>	<b>609</b>	<b>686</b>	<b>-11.2%</b>	<b>(76)</b>	<b>202</b>	<b>NM</b>
<b>Financial Services</b>	<b>469</b>	<b>600</b>	<b>-21.8%</b>	<b>15</b>	<b>168</b>	<b>-91.1%</b>
<b>Global Investment Management and Services</b>	<b>104</b>	<b>652</b>	<b>-84.0%</b>	<b>(71)</b>	<b>50</b>	<b>NM</b>
o.w. Asset Management	(258)	169	NM	(152)	(30)	NM
o.w. Private Banking	213	215	-0.9%	57	58	-1.7%
o.w. SG SS, Brokers & Online Savings	149	268	-44.4%	24	22	+9.1%
<b>Corporate &amp; Investment Banking</b>	<b>(235)</b>	<b>(2,221)</b>	<b>+89.4%</b>	<b>56</b>	<b>(3,918)</b>	<b>NM</b>
<b>CORE BUSINESSES</b>	<b>2,243</b>	<b>1,092</b>	<b>x2.1</b>	<b>235</b>	<b>(3,183)</b>	<b>NM</b>
<b>Corporate Centre</b>	<b>(233)</b>	<b>(145)</b>	<b>-60.7%</b>	<b>(148)</b>	<b>(168)</b>	<b>+11.9%</b>
<b>GROUP</b>	<b>2,010</b>	<b>947</b>	<b>x2.1</b>	<b>87</b>	<b>(3,351)</b>	<b>NM</b>

(a): Reported data not restated for the accounting consequences of the fictitious operations recorded in 2007 on unauthorised and concealed market activities. The restated data appear in Appendix 3.

## QUARTERLY RESULTS BY CORE BUSINESSES

(in EUR millions)	2006 - IFRS (incl. IAS 32 & 39 and IFRS 4)				2007 - IFRS (incl. IAS 32 & 39 and IFRS 4)				2008 - IFRS (incl. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>French Networks</b>												
Net banking income	1,698	1,730	1,677	1,728	1,736	1,789	1,746	1,787	1,739	1,754	1,781	1,917
Operating expenses	-1,130	-1,093	-1,084	-1,143	-1,145	-1,126	-1,108	-1,187	-1,161	-1,146	-1,128	-1,243
Gross operating income	568	637	593	585	591	663	638	600	578	608	653	674
Net allocation to provisions	-61	-71	-55	-88	-78	-78	-68	-105	-87	-93	-116	-184
Operating income	507	566	538	497	513	585	570	495	491	515	537	490
Net income from other assets	0	2	1	2	3	1	0	0	1	1	0	0
Net income from companies accounted for by the equity method	0	1	0	1	0	1	0	1	0	1	1	0
Income tax	-173	-192	-185	-169	-176	-199	-192	-169	-167	-176	-182	-167
Net income before minority interests	334	377	354	331	340	388	378	327	325	341	356	323
o.w. minority interests	13	14	12	13	13	19	14	12	13	13	11	12
Net income	321	363	342	318	327	369	364	315	312	328	345	311
Average allocated capital	5,547	5,702	5,756	5,806	5,965	6,155	6,335	6,456	6,631	7,015	7,289	7,379
ROE after tax	23.1%	25.5%	23.8%	21.9%	21.9%	24.0%	23.0%	19.5%	18.8%	18.7%	18.9%	16.9%
<b>International Retail Banking</b>												
Net banking income	641	669	695	781	763	860	871	950	1,116	1,212	1,301	1,347
Operating expenses	-378	-395	-415	-456	-465	-498	-494	-529	-649	-694	-668	-741
Gross operating income	263	274	280	325	298	362	377	421	467	518	633	606
Net allocation to provisions	-48	-53	-47	-67	-58	-53	-44	-49	-88	-78	-127	-207
Operating income	215	221	233	258	240	309	333	372	379	440	506	399
Net income from other assets	9	-1	1	-2	20	1	-2	9	-3	13	1	3
Net income from companies accounted for by the equity method	2	3	2	4	8	11	8	9	4	1	2	1
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0	0	-300
Income tax	-58	-58	-59	-67	-64	-78	-82	-96	-79	-94	-108	-84
Net income before minority interests	168	165	177	193	204	243	257	294	301	360	401	19
o.w. minority interests	57	57	57	61	60	75	85	92	109	122	146	95
Net income	111	108	120	132	144	168	172	202	192	238	255	-76
Average allocated capital	1,103	1,164	1,401	1,597	1,701	1,796	1,917	2,025	2,275	2,503	2,770	2,908
ROE after tax	40.3%	37.1%	34.3%	33.1%	33.9%	37.4%	35.9%	39.9%	33.8%	38.0%	36.8%	NM
<b>Financial Services</b>												
Net banking income	562	592	594	656	645	688	707	798	775	824	804	712
Operating expenses	-304	-318	-321	-347	-344	-372	-375	-435	-428	-455	-454	-458
Gross operating income	258	274	273	309	301	316	332	363	347	369	350	254
Net allocation to provisions	-66	-60	-60	-87	-84	-86	-102	-102	-113	-134	-149	-191
Operating income	192	214	213	222	217	230	230	261	234	235	201	63
Net income from other assets	0	0	0	-1	0	1	0	0	0	-1	0	0
Net income from companies accounted for by the equity method	1	-3	-2	-10	-2	-3	-1	-1	-3	8	-2	-24
Income tax	-67	-75	-74	-75	-73	-77	-78	-87	-72	-71	-62	-19
Net income before minority interests	126	136	137	136	142	151	151	173	159	171	137	20
o.w. minority interests	3	4	3	4	4	4	4	5	5	4	4	5
Net income	123	132	134	132	138	147	147	168	154	167	133	15
Average allocated capital	3,094	3,264	3,301	3,462	3,560	3,681	3,779	3,884	4,013	4,144	4,346	4,426
ROE after tax	15.9%	16.2%	16.2%	15.3%	15.5%	16.0%	15.6%	17.3%	15.4%	16.1%	12.2%	1.4%

	2006 - IFRS				2007 - IFRS				2008 - IFRS			
	(inc. IAS 32 & 39 and IFRS 4)				(inc. IAS 32 & 39 and IFRS 4)				(inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Global Investment Management &amp; Services</b>												
Net banking income	769	775	767	884	919	1,116	854	852	597	870	746	597
Operating expenses	-523	-552	-564	-659	-649	-677	-638	-744	-654	-663	-640	-673
Gross operating income	246	223	203	225	270	439	216	108	-57	207	106	-76
Net allocation to provisions	-3	-1	-1	-3	-1	-5	-2	-33	0	-2	-12	-39
Operating income	243	222	202	222	269	434	214	75	-57	205	94	-115
Net income from other assets	0	0	0	-1	0	0	-2	-4	0	1	-1	0
Net income from companies accounted for by the equity method	1	-1	0	0	0	0	0	0	0	0	0	0
Income tax	-75	-69	-65	-64	-83	-136	-64	-12	25	-60	-25	50
Net income before minority interests	169	152	137	157	186	298	148	59	-32	146	68	-65
o.w. minority interests	14	10	5	9	10	9	11	9	-1	8	0	6
Net income	155	142	132	148	176	289	137	50	-31	138	68	-71
Average allocated capital	1,019	1,052	1,074	1,197	1,239	1,282	1,456	1,550	1,506	1,421	1,400	1,337
ROE after tax	60.8%	54.0%	49.2%	49.5%	56.8%	90.2%	37.6%	12.9%	NM	38.8%	19.4%	NM
<b>o.w. Asset Management</b>												
Net banking income	333	305	295	348	340	345	243	191	-18	264	181	-18
Operating expenses	-193	-196	-186	-230	-212	-226	-176	-227	-201	-204	-190	-197
Gross operating income	140	109	109	118	128	119	67	-36	-219	60	-9	-215
Net allocation to provisions	0	0	0	1	0	0	0	-4	0	0	2	-10
Operating income	140	109	109	119	128	119	67	-40	-219	60	-7	-225
Net income from other assets	0	0	0	-1	0	0	-2	-4	0	0	0	0
Net income from companies accounted for by the equity method	1	-1	0	0	0	0	0	0	0	0	0	0
Income tax	-47	-38	-38	-39	-43	-41	-22	15	72	-20	2	74
Net income before minority interests	94	70	71	79	85	78	43	-29	-147	40	-5	-151
o.w. minority interests	9	2	3	2	3	1	3	1	-8	1	1	1
Net income	85	68	68	77	82	77	40	-30	-139	39	-6	-152
Average allocated capital	287	293	276	265	277	302	404	502	450	301	268	241
ROE after tax	118.5%	92.8%	98.6%	116.2%	118.4%	102.0%	39.6%	NM	NM	51.8%	NM	NM
<b>o.w. Private Banking</b>												
Net banking income	164	164	156	174	191	198	201	233	214	203	198	224
Operating expenses	-102	-106	-105	-121	-118	-126	-130	-157	-133	-133	-135	-138
Gross operating income	62	58	51	53	73	72	71	76	81	70	63	86
Net allocation to provisions	-2	0	-1	-1	0	-1	0	0	-1	-1	-10	-20
Operating income	60	58	50	52	73	71	71	76	80	69	53	66
Net income from other assets	0	0	0	0	0	0	0	0	0	0	0	0
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	-14	-14	-12	-9	-17	-15	-17	-14	-18	-16	-12	-9
Net income before minority interests	46	44	38	43	56	56	54	62	62	53	41	57
o.w. minority interests	3	3	2	4	3	3	3	4	3	2	-5	0
Net income	43	41	36	39	53	53	51	58	59	51	46	57
Average allocated capital	376	386	372	377	396	410	435	466	480	513	533	519
ROE after tax	45.7%	42.5%	38.7%	41.4%	53.5%	51.7%	46.9%	49.8%	49.2%	39.8%	34.5%	43.9%
<b>o.w. SG SS, Brokers &amp; Online Savings</b>												
Net banking income	272	306	316	362	388	573	410	428	401	403	367	391
Operating expenses	-228	-250	-273	-308	-319	-325	-332	-360	-320	-326	-315	-338
Gross operating income	44	56	43	54	69	248	78	68	81	77	52	53
Net allocation to provisions	-1	-1	0	-3	-1	-4	-2	-29	1	-1	-4	-9
Operating income	43	55	43	51	68	244	76	39	82	76	48	44
Net income from other assets	0	0	0	0	0	0	0	0	0	1	-1	0
Net income from companies accounted for by the equity method	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	-14	-17	-15	-16	-23	-80	-25	-13	-29	-24	-15	-15
Net income before minority interests	29	38	28	35	45	164	51	26	53	53	32	29
o.w. minority interests	2	5	0	3	4	5	5	4	4	5	4	5
Net income	27	33	28	32	41	159	46	22	49	48	28	24
Average allocated capital	356	373	426	555	566	570	617	582	576	607	599	577
ROE after tax	30.3%	35.4%	26.3%	23.1%	29.0%	111.6%	29.8%	15.1%	34.0%	31.6%	18.7%	16.6%

	2006 - IFRS				2007(a) - IFRS				2008 - IFRS			
	(incl. IAS 32 & 39 and IFRS 4)				(inc. IAS 32 & 39 and IFRS 4)				(inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
<b>Corporate and Investment Banking</b>												
Net banking income	1,957	1,832	1,521	1,688	1,947	2,077	1,159	-661	1,563	663	647	1,144
Operating expenses	-1,066	-1,063	-831	-930	-1,081	-1,112	-743	-489	-1,001	-954	-777	-746
Gross operating income	891	769	690	758	866	965	416	-1,150	562	-291	-130	398
Net allocation to provisions	19	35	23	16	29	31	-9	5	-312	-77	-270	-365
Operating income excluding net loss on unauthorised and concealed market activities	910	804	713	774	895	996	407	-1,145	250	-368	-400	33
Net loss on unauthorised and concealed market activities	0	0	0	0	0	0	0	-4,911	0	0	0	0
Operating income including net loss on unauthorised and concealed market activities	910	804	713	774	895	996	407	-6,056	250	-368	-400	33
Net income from other assets	23	1	4	2	1	-1	2	24	-3	7	6	-1
Net income from companies accounted for by the equity method	6	6	8	4	6	2	6	5	5	1	3	-3
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	-293	-219	-197	-193	-233	-274	-101	2,109	-113	177	148	31
Net income before minority interests	646	592	528	587	669	723	314	-3,918	139	-183	-243	60
o.w. minority interests	3	3	5	2	3	2	4	0	0	3	1	4
Net income	643	589	523	585	666	721	310	-3,918	139	-186	-244	56
Average allocated capital	4,747	4,868	4,969	5,067	5,303	5,731	5,888	5,811	5,913	6,145	6,300	7,186
ROE after tax	54.2%	48.4%	42.1%	46.2%	50.2%	50.3%	21.1%	NM	9.4%	NM	NM	3.1%
<b>Corporate and Investment Banking (excl. Cowen)</b>												
Net banking income	1,879	1,776	1,517	1,688	1,947	2,077	1,159	-661	1,563	663	647	1,144
Financing and Advisory	308	396	416	439	354	449	375	681	980	-88	518	2,223
Fixed Income, Currencies and Commodities	543	623	492	594	525	584	105	-2099	-151	48	-379	-471
Equities	1028	757	609	655	1068	1044	679	757	734	703	508	-608
Operating expenses	-997	-1,004	-824	-930	-1,081	-1,112	-743	-489	-1,001	-954	-777	-746
Gross operating income	882	772	693	758	866	965	416	-1,150	562	-291	-130	398
Net allocation to provisions	19	35	23	16	29	31	-9	5	-312	-77	-270	-365
Operating income excluding net loss on unauthorised and concealed market activities	901	807	716	774	895	996	407	-1,145	250	-368	-400	33
Net loss on unauthorised and concealed market activities	0	0	0	0	0	0	0	-4,911	0	0	0	0
Operating income including net loss on unauthorised and concealed market activities	901	807	716	774	895	996	407	-6,056	250	-368	-400	33
Net income from other assets	23	1	4	2	1	-1	2	24	-3	7	6	-1
Net income from companies accounted for by the equity method	6	6	8	4	6	2	6	5	5	1	3	-3
Impairment losses on goodwill	0	0	0	0	0	0	0	0	0	0	0	0
Income tax	-290	-219	-199	-193	-233	-274	-101	2,109	-113	177	148	31
Net income before minority interests	640	595	529	587	669	723	314	-3,918	139	-183	-243	60
o.w. minority interests	3	3	5	2	3	2	4	0	0	3	1	4
Net income	637	592	524	585	666	721	310	-3,918	139	-186	-244	56
Average allocated capital	4,738	4,860	4,963	5,065	5,303	5,731	5,888	5,811	5,913	6,145	6,300	7,186
ROE after tax	53.8%	48.7%	42.2%	46.2%	50.2%	50.3%	21.1%	NM	9.4%	NM	NM	3.1%
<b>Corporate Centre</b>												
Net banking income	144	111	12	-66	36	92	38	154	-111	261	-171	-222
Operating expenses	-11	-68	2	-54	-14	-32	-16	-32	-12	-45	-30	-108
Gross operating income	133	43	14	-120	22	60	22	122	-123	216	-201	-330
Net allocation to provisions	-3	-2	6	-2	0	5	-1	-17	2	-3	-13	3
Operating income	130	41	20	-122	22	65	21	105	-121	213	-214	-327
Net income from other assets	2	2	-3	2	0	4	-1	-16	611	14	12	-28
Net income from companies accounted for by the equity method	0	-3	0	-2	-1	-2	-1	-2	-1	-4	-2	4
Impairment losses on goodwill	0	0	0	-18	0	0	0	0	0	0	0	0
Income tax	29	-2	62	45	16	45	33	-211	-113	-208	-104	238
Net income before minority interests	161	38	79	-95	37	112	52	-124	376	15	-308	-113
o.w. minority interests	55	58	61	41	57	62	59	44	46	56	66	35
Net income	106	-20	18	-136	-20	50	-7	-168	330	-41	-374	-148

(a): Reported data not restated for the accounting consequences of the fictitious operations recorded in 2007 on unauthorised and concealed market activities. The restated data appear in Appendix 3.

GROUP	2006 - IFRS (incl. IAS 32 & 39 and IFRS 4)				2007(a) - IFRS (inc. IAS 32 & 39 and IFRS 4)				2008 - IFRS (inc. IAS 32 & 39 and IFRS 4)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net banking income	5,771	5,709	5,266	5,671	6,046	6,622	5,375	3,880	5,679	5,584	5,108	5,495
Operating expenses	-3,412	-3,489	-3,213	-3,589	-3,698	-3,817	-3,374	-3,416	-3,905	-3,957	-3,697	-3,969
Gross operating income	2,359	2,220	2,053	2,082	2,348	2,805	2,001	464	1,774	1,627	1,411	1,526
Net allocation to provisions	-162	-152	-134	-231	-192	-186	-226	-301	-598	-387	-687	-983
Operating income excluding net loss on unauthorised and concealed market activities	2,197	2,068	1,919	1,851	2,156	2,619	1,775	163	1,176	1,240	724	543
Net loss on unauthorised and concealed market activities	0	0	0	0	0	0	0	-4,911	0	0	0	0
Operating income including net loss on unauthorised and concealed market activities	2,197	2,068	1,919	1,851	2,156	2,619	1,775	-4,748	1,176	1,240	724	543
Net income from other assets	34	4	3	2	24	6	-3	13	606	35	18	-26
Net income from companies accounted for by the equity method	10	3	8	-3	11	9	12	12	5	7	2	-22
Impairment losses on goodwill	0	0	0	-18	0	0	0	0	0	0	0	-300
Income tax	-637	-615	-518	-523	-613	-719	-484	1,534	-519	-432	-333	49
Net income before minority interests	1,604	1,460	1,412	1,309	1,578	1,915	1,300	-3,189	1,268	850	411	244
o.w. minority interests	145	146	143	130	147	171	177	162	172	206	228	157
Net income	1,459	1,314	1,269	1,179	1,431	1,744	1,123	-3,351	1,096	644	183	87
Average allocated capital	18,437	19,454	20,482	22,054	23,268	23,727	24,324	23,413	25,436	29,033	29,611	29,630
ROE after tax	31.5%	26.8%	24.6%	21.2%	24.4%	29.0%	18.0%	NM	16.5%	8.6%	1.7%	0.4%

(a): Reported data not restated for the accounting consequences of the fictitious operations recorded in 2007 on unauthorised and concealed market activities. The restated data appear in Appendix 3.

## APPENDIX 2: MÉTHODOLOGY

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### **1- Reported 2007 historic quarterly results have been restated: corrections in respect of the fictitious operations recorded on unauthorised and concealed market activities uncovered in January 2008.**

The quarterly results at March 31st 2007, June 30th 2007, September 30th 2007 and December 31st 2007, presented for comparative purposes, have been adjusted to restate the accounting consequences of the fictitious operations recorded in 2007 and 2008 on unauthorised and concealed market activities discovered in January 2008. This information is presented in Appendix 3. However, in order to provide more relevant information on the Group's performance, the figures in this document correspond to reported historic data. The comments are also based on these reported data.

### **2- The Group's consolidated financial statements at December 31st 2008 were approved by the Board of Directors on February 17th 2009**

The financial information presented for the period ended December 31st 2008 and comparative information regarding the 2007 financial year have been prepared using the accounting principles and methods in accordance with IFRS as adopted in the European Union and applicable at these dates. The Basel II data used in this press release have not been audited by the Statutory Auditors.

**3- Group ROE** is calculated on the basis of average Group shareholders' equity under IFRS excluding (i) unrealised or deferred capital gains or losses booked directly under shareholders' equity excluding conversion reserves, (ii) deeply subordinated notes, (iii) undated subordinated notes recognised as shareholders' equity, and deducting (iv) interest to be paid to holders of deeply subordinated notes and of the restated, undated subordinated notes. The net income used to calculate ROE excludes interest, net of tax impact, to be paid to holders of deeply subordinated notes for the period and, as of 2006, to the holders of restated, undated subordinated notes (i.e. EUR 60 million in Q4 2008 and EUR 184 million for full year 2008 vs. EUR 24 million in Q4 2007 and EUR 83 million for full year 2007).

**4- Earnings per share** is the ratio of (i) net income for the period after deduction (as of 2005) of the interest, net of tax, to be paid to holders of deeply subordinated notes (EUR 156 million in 2008 and EUR 55 million in 2007) and, as of 2006, the interest, net of tax, to be paid to holders of undated subordinated notes which were reclassified from debt to shareholders' equity (EUR 28 million in 2008 and 2007) and (ii) the average number of shares outstanding excluding treasury shares, but taking into account (a) trading shares held by the Group, and (b) shares held under the liquidity contract.

**5- Net assets** are comprised of Group shareholders' equity, excluding (i) deeply subordinated notes (EUR 6.0 billion), undated subordinated notes previously recognised as debt (EUR 0.8 billion) and (ii) interest to be paid to holders of deeply subordinated notes and undated subordinated notes, but reinstating the book value of trading shares held by the Group and shares held under the liquidity contract. The number of shares used to calculate book value per share is the number outstanding at December 31st 2008, excluding treasury shares but including (a) trading shares held by the Group and (b) shares held under the liquidity contract.

**APPENDIX 3: FICTITIOUS OPERATIONS RECORDED ON UNAUTHORISED AND CONCEALED MARKET ACTIVITIES HAVE BEEN RESTATED**

**3.1 Comparative income statement for Q4 and FY2008**

<i>(in millions of euros)</i>	Q4 07 Restated	Q4 08	Change	2007 Restated	2008	Change
<b>GROUP</b>						
Net banking income	3,880	5,495	1,615	21,923	21,866	-57
Operating expenses	-3,416	-3,969	-553	-14,305	-15,528	-1,223
<i>Gross operating income</i>	464	1,526	1,062	7,618	6,338	-1,280
Net allocation to provisions	-301	-983	-682	-905	-2,655	-1,750
<i>Operating income excluding net gains or losses on unauthorised and concealed market activities</i>	163	543	380	6,713	3,683	-3,030
Net loss on unauthorised and concealed market activities	-5,274	0	5,274	-4,911	0	4,911
<i>Operating income including net gains or losses on unauthorised and concealed market activities</i>	-5,111	543	5,654	1,802	3,683	1,881
Net income from other assets	13	-26	-39	40	633	593
Net income from companies accounted for by the equity method	12	-22	-34	44	-8	-52
Impairment losses on goodwill	0	-300	-300	0	-300	-300
Income tax	1,659	49	-1,610	-282	-1,235	-953
<i>Net income before minority interests</i>	-3,427	244	3,671	1,604	2,773	1,169
o.w. minority interests	162	157	-5	657	763	106
<i>Net income</i>	-3,589	87	3,676	947	2,010	1,063
Average allocated capital	23,532	29,630		23,372	28,428	
ROE after tax	NM	0.4%		3.7%	6.4%	

### 3.2 Reported 2007 historic quarterly results have been restated for the fictitious operations recorded on unauthorised and concealed market activities

2007

(in millions of euros)	Q1		Q2		Q3		Q4	
	Reported	Restated	Reported	Restated	Reported	Restated	Reported	Restated
<b>Corporate and Investment Banking</b>								
Net banking income	1,947	1,947	2,077	2,077	1,159	1,159	-661	-661
Operating expenses	-1,081	-1,081	-1,112	-1,112	-743	-743	-489	-489
Gross operating income	866	866	965	965	416	416	-1,150	-1,150
Net allocation to provisions	29	29	31	31	-9	-9	5	5
Operating income excluding net gains or losses on unauthorised and concealed market activities	895	895	996	996	407	407	-1,145	-1,145
Net loss on unauthorised and concealed market activities	0	-97	0	-2,064	0	2,524	-4,911	-5,274
Operating income including net gains or losses on unauthorised and concealed market activities	895	798	996	-1,068	407	2,931	-6,056	-6,419
Net income from other assets	1	1	-1	-1	2	2	24	24
Net income from companies accounted for by the equity method	6	6	2	2	6	6	5	5
Impairment losses on goodwill	0	0	0	0	0	0	0	0
Income tax	-233	-200	-274	428	-101	-959	2,109	2,232
Net income before minority interests	669	605	723	-639	314	1,980	-3,918	-4,158
o.w. minority interests	3	3	2	2	4	4	0	0
Net income	666	602	721	-641	310	1,976	-3,918	-4,158
<b>Corporate Centre</b>								
Net banking income	36	36	92	92	38	38	154	154
Operating expenses	-14	-14	-32	-32	-16	-16	-32	-32
Gross operating income	22	22	60	60	22	22	122	122
Net allocation to provisions	0	0	5	5	-1	-1	-17	-17
Operating income	22	22	65	65	21	21	105	105
market activities	0	0	4	4	-1	-1	-16	-16
Net income from companies accounted for by the equity method	-1	-1	-2	-2	-1	-1	-2	-2
Impairment losses on goodwill	0	0	0	0	0	0	0	0
Income tax	16	37	45	121	33	41	-211	-122
Net income before minority interests	37	57	112	62	52	59	-124	44
o.w. minority interests	57	-20	62	59	59	-18	44	-166
Net income	-20	-20	50	59	-7	-18	-168	-166
<b>GROUP</b>								
Net banking income	6,046	6,046	6,622	6,622	5,375	5,375	3,880	3,880
Operating expenses	-3,698	-3,698	-3,817	-3,817	-3,374	-3,374	-3,416	-3,416
Gross operating income	2,348	2,348	2,805	2,805	2,001	2,001	464	464
Net allocation to provisions	-192	-192	-186	-186	-226	-226	-301	-301
Operating income excluding net gains or losses on unauthorised and concealed market activities	2,156	2,156	2,619	2,619	1,775	1,775	163	163
Net loss on unauthorised and concealed market activities	0	-97	0	-2,064	0	2,524	-4,911	-5,274
Operating income including net gains or losses on unauthorised and concealed market activities	2,156	2,059	2,619	555	1,775	4,299	-4,748	-5,111
Net income from other assets	24	24	6	6	-3	-3	13	13
Net income from companies accounted for by the equity method	11	11	9	9	12	12	12	12
Impairment losses on goodwill	0	0	0	0	0	0	0	0
Income tax	-613	-580	-719	-8	-484	-1,353	1,534	1,659
Net income before minority interests	1,578	1,514	1,915	562	1,300	2,955	-3,189	-3,427
o.w. minority interests	147	147	171	171	177	177	162	162
Net income	1,431	1,367	1,744	391	1,123	2,778	-3,351	-3,589
Average allocated capital	23,268	23,236	23,727	22,986	24,324	23,734	23,413	23,532
ROE after tax	24.4%	23.3%	29.0%	6.4%	18.0%	46.4%	NM	NM

## APPENDIX 4: IMPACT OF NON-RECURRING ITEMS ON PRE-TAX PROFITS

EUR m		Q1 07	Q2 07	Q3 07	Q4 07	Q1 08	Q2 08	Q3 08	Q4 08	2007	2008
Non-recurring items in NBI	<b>French Networks</b>	-	36	-	-	-	-	-	72	36	72
	Euronext and Visa capital gain	-	36	-	-	-	-	-	72	36	72
	<b>International Retail Banking</b>	-	-	-	-	-	-	75	-59	-	16
	Asiban capital gain	-	-	-	-	-	-	75	-	-	75
	Writedown of AFS securities	-	-	-	-	-	-	-	-59	-	-59
	<b>Global Investment Management and Services</b>	-	165	-53	-179	-274	-	-12	-49	-67	-335
	<b>Asset Management</b>	-	-	-53	-179	-274	-	-12	-49	-232	-335
	Liquidity support provided to certain funds	-	-	-53	-179	-274	-	-	-16	-232	-290
	Impact of Lehman	-	-	-	-	-	-	-12	-	-	-12
	Impact of Madoff	-	-	-	-	-	-	-	-	-5	-5
	Writedown of AFS securities	-	-	-	-	-	-	-	-	-28	-28
	<b>Private Banking</b>	-	1	-	-	-	-	-	-	-	1
	Euronext capital gain	-	1	-	-	-	-	-	-	-	1
	<b>SGSS, Brokers and Online Savings</b>	-	164	-	-	-	-	-	-	-	164
	Euronext SGSS capital gain	-	159	-	-	-	-	-	-	-	159
	Euronext Fimat capital gain	-	5	-	-	-	-	-	-	-	5
	<b>Corporate and Investment Banking</b>	-6	60	-269	-2,133	31	-1,240	-1,118	825	-2,348	-1,502
	<b>Equities</b>	1	20	-2	159	200	-68	-152	-89	178	-109
	Euronext capital gain	-	34	-	-	-	-	-	-	34	-
	Revaluation of financial liabilities + Own shares	1	-14	-2	159	200	-68	7	-83	144	56
	Impact of Lehman	-	-	-	-	-	-	-	-159	-	-159
	Impact of Icelandic banks	-	-	-	-	-	-	-	-	-6	-6
	<b>Fixed Income, Currencies and Commodities</b>	1	26	-205	-2,546	-868	-678	-1,162	-752	-2,724	-3,460
	Revaluation of financial liabilities	-	-	-	89	323	-79	61	-22	89	283
	Losses and writedowns linked to exotic credit derivatives	14	10	-	-233	-417	-372	-370	367	-209	-792
	Writedown of unhedged CDOs	-5	-37	-124	-1,083	-350	-20	315	-64	-1,249	-119
	Writedown of monolines	-	-	-	-947	-203	-98	-453	-328	-947	-1,082
	Writedown of RMBSs	-8	-29	-64	-224	-43	-15	-	-7	-325	-65
	Writedown of European ABS portfolio sold by SGAM	-	-	-17	-99	-166	-84	-382	-578	-116	-1,210
	CDPC reserves	-	-	-	-	-	-17	-39	-61	-	-117
	Writedown / Reversal of SIV PACE	-	-	-	-49	-12	7	-57	32	-49	-30
	Ice capital gain	-	82	-	-	-	-	-	-	82	-
	Impact of Lehman	-	-	-	-	-	-	-223	-23	-	-246
	Impact of Icelandic banks	-	-	-	-	-	-	-14	-68	-	-82
	<b>Financing and Advisory</b>	-8	14	-62	254	699	-494	196	1,666	198	2,067
	CDS MtM	-8	14	36	224	743	-501	262	1,608	266	2,112
	Writedown / Reversal of NIG transactions being syndicated	-	-	-98	30	-44	7	-13	6	-68	-44
	Impact of Lehman	-	-	-	-	-	-	-53	14	-	-39
	Impact of Icelandic banks	-	-	-	-	-	-	-	38	-	38
	<b>Corporate Centre</b>	-	-	-	-	-	306	-142	-101	-	63
Revaluation of Crédit du Nord's financial liabilities	-	-	-	-	-	44	-	-16	-	28	
Muscato capital gain	-	-	-	-	-	262	-	-	-	262	
Writedown of equity portfolio	-	-	-	-	-	-	-142	-85	-	-227	
<b>Total impact on GROUP NBI</b>	-6	261	-322	-2,312	-243	-934	-1,197	688	-2,379	-1,686	
<b>Net allocation to provisions</b>	<b>Private Banking</b>	-	-	-	-	-	-	-10	-	-	-10
Allocation to Washington Mutual	-	-	-	-	-	-	-	-10	-	-	-10
<b>Corporate and Investment Banking</b>	-	-	-	-	-282	-	-40	-53	-	-375	
Allocations to a few accounts	-	-	-	-	-282	-	-40	-53	-	-375	
<b>Goodwill impairment</b>	<b>International Retail Banking</b>	-	-	-	-	-	-	-300	0	-300	
Goodwill impairment	-	-	-	-	-	-	-	-300	-	-300	
<b>Net losses</b>	<b>Corporate and Investment Banking</b>	-	-	-	-4,911	-	-	-	-	-4,911	0
Net losses from unauthorised, concealed market activities	-	-	-	-4,911	-	-	-	-	-	-4,911	-
<b>Net gain on other assets</b>	<b>Corporate Centre</b>	-	-	-	-	602	-	-	-	-	602
Capital gain on Fimat	-	-	-	-	602	-	-	-	-	-	602
<b>Total impact on GROUP</b>		-6	261	-322	-7,223	77	-934	-1,247	335	-7,290	-1,769